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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
Case No. 08-13555 (JMP)

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In the Matter of:

LEHMAN BROTHERS HOLDINGS INC., et al.

Debtors.

- - - - -x

United States Bankruptcy Court  
One Bowling Green  
New York, New York

December 22, 2010  
10:04 AM

B E F O R E:  
HON. JAMES M. PECK  
U.S. BANKRUPTCY JUDGE

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HEARING re Debtors' Thirty-First Omnibus Objection to Claims  
(Insufficient Documentation Claims)

HEARING re Debtors' Thirty-Fifth Omnibus Objection to Claims  
(Valued Derivative Claims)

HEARING re Debtors' Fifty-Third Omnibus Objection to Claims  
(Duplicative of Indenture Trustee Claims)

HEARING re Debtors' Fifty-Ninth Omnibus Objection to Claims  
(Duplicative of Indenture Trustee Claims)

HEARING re Debtors' Sixty-Third Omnibus Objection to Claims  
(Valued Derivative Claims)

HEARING re Debtors' Sixty-Fourth Omnibus Objection to Claims  
(No Supporting Documentation Claims)

HEARING re Debtors' Sixty-Fifth Omnibus Objection to Claims  
(Duplicative Claims)

HEARING re Debtors' Sixty-Sixth Omnibus Objection to Claims  
(Duplicative of Indenture Trustee Claims)

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HEARING re Debtors' Sixty-Seventh Omnibus Objection to Claims  
(Valued Derivative Claims)

HEARING re Debtors' Sixty-Eighth Omnibus Objection to Claims  
(Settled Derivative Claims)

HEARING re Motion of Dr. Peter Berman to Amend Proof of Claim

HEARING re Motion of Joyce L. Rehorst to Amend Proof of Claim

HEARING re Motion of Jacqueline W. Edelmann, et al. to Amend  
Proof of Claim

HEARING re Debtors' Forty-Ninth Omnibus Objection to Claims  
(Duplicative of Indenture Trustee Claims)

HEARING re First Motion of Mark Glasser to Extend Time for  
Claim

Transcribed by: Lisa Bar-Leib

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1 P R O C E E D I N G S

2 THE CLERK: All rise.

3 THE COURT: Be seated, please. Good morning.

4 MS. ECKOLS: Good morning, Your Honor.

5 THE COURT: Good morning.

6 MS. ECKOLS: Erin Eckols for the debtors. We did want  
7 to alert you to a few changes to the agenda this morning. As  
8 far as agenda item number 1, that has been resolved entirely.  
9 The debtors have withdrawn the objection with respect to the  
10 remaining claims on that omni. And so the debtors are not  
11 seeking any relief today for that --

12 THE COURT: Okay.

13 MS. ECKOLS: -- objection. Agenda item number 2 --  
14 the parties are still actually trying to work a couple issues  
15 out with that. And so in order to give them sufficient time,  
16 we have further adjourned that particular omni.

17 And then agenda item number 15, which was the motion  
18 of Mark Glasser -- his counsel reached out to debtors last  
19 night and requested a further adjournment, unfortunately, due  
20 to health reasons with Mr. Glasser.

21 THE COURT: So is that adjourned to a particular date?

22 MS. ECKOLS: It is adjourned until January 20th.

23 THE COURT: Okay. I'm informed by my chambers staff  
24 that there was a gentleman in court today from Japan who wanted  
25 to see me. And I deemed that to be inappropriate and so I'm

1 not going to be visiting with him. I don't know to what extent  
2 his being in New York is an opportunity for the debtors to  
3 explore a possible consensual resolution of claim objections  
4 affecting his claim. I know nothing about his claim. I don't  
5 know if it's personal or if it's in a representative capacity,  
6 if he's a representative of some business that may have a  
7 claim. But I'm wondering whether or not the fact that he was  
8 here prompted any opportunity for dialogue with him either now  
9 or in the future.

10 MS. ECKOLS: We're certainly happy to reach out to  
11 them. We were having a little bit of a communication issue  
12 with this particular claimant. And we actually, of course,  
13 realize that he was going to be attending today. It seemed  
14 like, when I was trying to communicate with him, that he was in  
15 New York for other reasons not necessarily because of this  
16 hearing and that he wanted to give the debtor some souvenirs.  
17 And so, I got the feeling it's more of a coming in to visit but  
18 not necessarily for the hearing. But we are happy to reach out  
19 with him, talk to him and try to resolve the claim objection.

20 THE COURT: I gather he is no longer in the courtroom.

21 MS. ECKOLS: No, Your Honor. He asked to leave after  
22 he provided us with his package.

23 THE COURT: All right. Enough about that.

24 MS. ECKOLS: Your Honor, one thing we did want to  
25 inform you. You had asked at the last hearing about the status



1 of the supplemental order on omnibus objection 29. And that is  
2 in the package of orders to be presented today to hand it up  
3 later.

4 THE COURT: Fine.

5 MS. ECKOLS: Your Honor, we did want to ask -- we've  
6 got -- my colleague, Ms. Brady, is going to be handling a  
7 couple agenda items. In order to streamline and hopefully  
8 reduce the movement and make things go a little more  
9 efficiently, we were going to request that we take a few agenda  
10 items out of order.

11 THE COURT: That's perfectly fine.

12 MS. ECKOLS: Okay. Your Honor, we are proceeding  
13 largely uncontested today. Nearly all formal responses have  
14 been adjourned or resolved. The only contested matter that is  
15 going to be going forward today is a carryover item for omnibus  
16 objection 49. Just to note that, as you are aware, the debtors  
17 are continuing their efforts to process the claims, the tens of  
18 thousands of claims, in these Chapter 11 cases and have made  
19 significant progress. In fact, through the omnibus objections  
20 to date, nearly 13,000 claims have been disallowed and expunged  
21 with an asserted value of approximately 119 billion dollars.  
22 And the 308 claims have been reduced by approximately 290  
23 million.

24 Unless Your Honor has any questions, I'm going to move  
25 on to agenda item number 3.

1 THE COURT: Please move on.

2 MS. ECKOLS: Okay. Your Honor, this is a carryover  
3 item from the November 10th claims hearing at which you granted  
4 debtors' omnibus objection 53. The debtors had adjourned their  
5 objection as to the claim of Evelyn Wheeler and the response  
6 filed by Mr. Duplain as the executor of Ms. Wheeler's estate so  
7 that the parties could work on a resolution.

8 Those efforts were successful and Mr. Duplain withdrew  
9 his opposition to debtors' 53rd omnibus objection.. The formal  
10 notice of withdrawal is at docket entry 13562. Accordingly,  
11 the debtors respectfully request that the Court grant debtors'  
12 fifty-third omnibus objection as to Ms. Wheeler's claim.

13 THE COURT: The objection is granted.

14 MS. ECKOLS: Agenda item number 4, omnibus objection  
15 59, Your Honor, this is another carryover item but it's from  
16 the December 1st hearing at which you granted debtors' fifty-  
17 ninth omnibus objection. The debtors had adjourned their  
18 objection as to the claim of Mr. Brackett and his response  
19 thereto so that the parties could work on a resolution. Mr.  
20 Brackett has since withdrawn his opposition and the formal  
21 notice of withdrawal is at docket entry 13563. Accordingly,  
22 the debtors respectfully request that the Court grant the  
23 debtors' fifty-ninth omnibus objection as to Mr. Brackett's  
24 claim.

25 THE COURT: It's granted.

1 MS. ECKOLS: Moving on to agenda item number 6 which  
2 is omnibus objection number 64, this objection seeks to  
3 disallow and expunge claims that violated the bar date order's  
4 requirement that claimants provide supporting documentation or  
5 an explanation as to why said documentation was not available.  
6 This affects approximately 130 claims. It's proceeding  
7 uncontested today and therefore the debtors respectfully  
8 request that the Court grant omnibus objection number 64.

9 THE COURT: Granted.

10 MS. ECKOLS: Moving on to agenda item number 7,  
11 omnibus objection 65, this objection seeks to disallow and  
12 expunge claims that are either exactly or in substance  
13 duplicates of other claims that were filed by the same claimant  
14 for essentially the same claim.

15 There were two responses, one formal and one informal.  
16 Both were resolved after speaking with the claimants. And the  
17 claimants confirmed the resolution via e-mail and writing to  
18 the debtors. This omni again is proceeding uncontested and  
19 therefore the debtors respectfully request that the Court grant  
20 the sixty-fifth omnibus objection.

21 THE COURT: It's granted.

22 MS. ECKOLS: Moving on to agenda item number 8, which  
23 is the sixty-sixth omnibus objection to claims, this omni seeks  
24 to disallow and expunge claims filed by individual holders of  
25 securities that are in substance duplicative of the global

1 claims filed by the applicable indenture trustee -- that would  
2 be Wilmington Trust and/or Bank of New York Mellon -- on behalf  
3 of the holders of those same securities. Again, we are  
4 proceeding uncontested today and thus the debtors respectfully  
5 request that the Court grant the sixty-sixth omnibus objection.

6 THE COURT: It's granted.

7 MS. ECKOLS: Your Honor, taking up -- now moving to  
8 agenda item number 10, which is the sixty-eighth omnibus  
9 objection, this objection is seeking to reduce fifty derivative  
10 claims by approximately fifty-seven million dollars. These are  
11 claims where the parties have reached an agreement with respect  
12 to the claim amount classification and debtor counterparty that  
13 is not reflected on the claimant's proof of claim. And this  
14 objection is seeking to modify those claims to conform to the  
15 parties' agreement. Thus, the debtors respectfully request  
16 that the Court grant omnibus objection number 68.

17 THE COURT: It is granted.

18 MS. ECKOLS: Thank you. And, Your Honor, I am going  
19 to now turn the podium over to Ms. Brady.

20 MS. BRADY: Good morning, Your Honor. Teresa Brady  
21 from Weil Gotshal also on behalf of the debtors. I'm going to  
22 be addressing agenda item number 5 on the sixty-third omnibus  
23 objection and also agenda item number 9, the sixty-seventh  
24 omnibus objection. Both of these are nonconsensual, reduce and  
25 allow omnis and both are proceeding on an uncontested matter.

1 Relating to agenda item number 5, the sixty-third  
2 omnibus objection, this is a carryover item. At the hearing on  
3 October 27th, we had adjourned all the unresolved responses  
4 until January 20th. The debtors have successfully settled with  
5 one of the counterparties, Shannon Health Systems who holds two  
6 different claims. And therefore, we respectfully request that  
7 this Court grant the supplemental order on the sixty-third  
8 omnibus objection reducing and allowing those two claims  
9 belonging to Shannon Health Systems to the settled amount.

10 THE COURT: That's granted.

11 MS. BRADY: Turning to agenda item number 9, the  
12 sixty-seventh omnibus objection, there were 128 claims listed  
13 in this omni. Thirty-one counterparties holding fifty-two  
14 claims did not respond at all to this omnibus objection.  
15 Thirty of these counterparties we are seeking to reduce and  
16 allow their forty-eight claims on an uncontested basis. One  
17 counterparty did successfully settle with the debtors. They  
18 hold four claims and the counterparty is named Clinton. And  
19 therefore we have a proposed order for this Court and we  
20 respectfully request that this Court reduce and allow those  
21 fifty-two claims to the settled amount -- to the settled amount  
22 as to Clinton and to the modified amounts in the omni as to the  
23 remaining forty-eight claims.

24 THE COURT: That's fine. I'll grant that.

25 MS. BRADY: Thank you. There are seventy-six

1 remaining claims that relate to the sixty-seventh omnibus  
2 objection. They belong to thirty-three counterparties. And  
3 the counterparties either filed timely responses or they  
4 requested an adjournment of the response deadline which the  
5 debtors did grant. And so, the debtors respectfully request  
6 that this Court adjourn the hearing as to seventy-four of those  
7 claims until January 20th, 2011. There was one counterparty,  
8 Aozora Bank, who has a conflict on that date and therefore  
9 we're going to respectfully request that this Court adjourn the  
10 hearing as to Aozora Bank until March 3rd.

11 THE COURT: The requested adjournments are all fine.  
12 I do have a question about this, though. I noticed that most  
13 of these responses are similar in nature and raise a common  
14 legal question as to who has the burden of proof and whether or  
15 not the prima facie validity of the claim has been put at issue  
16 by this objection. Is there a common approach to dealing with  
17 all of these objections or are they being dealt with on a one-  
18 off basis?

19 MS. BRADY: They are being dealt with on an one-on  
20 basis but in a common manner in that after a response is  
21 received, generally the debtors and the counterparties have  
22 been in discussions, settlement discussions, to try to resolve  
23 these claims before proceeding to an ADR or proceeding to a  
24 court hearing. That's not the case with every but in the  
25 majority of these nonconsensual and reduced and allowed,

1 settlement discussions have been taking place.

2 THE COURT: Okay. Fine. Thank you.

3 MS. BRADY: Thank you, Your Honor.

4 MS. ECKOLS: Your Honor, I think we have four  
5 remaining agenda items to take up. That is agenda items 11, 12  
6 and 13 and then agenda item 14 which is the one contested  
7 matter.

8 Agenda items 11 through 13 -- they're actually all  
9 three motions seeking to amend proofs of claim in response to  
10 debtors' thirty-first omnibus objection which is an  
11 insufficient documentation objection. Those motions have been  
12 resolved. Debtors have agreed not to object to the amended  
13 claims filed by these individuals solely on the basis that the  
14 amendment was improper and thus these motions have been  
15 resolved and the debtors are submitting a stipulation and  
16 agreed order to the Court.

17 THE COURT: Fine.

18 MS. ECKOLS: Moving on to agenda item 14, this is  
19 debtors' forty-ninth omnibus objection to claims. This is a  
20 carryover from the November 10th claims hearing at which Your  
21 Honor granted omnibus objection 49. Today we are proceeding  
22 with respect to the claimant Kurt Wolf and his response in  
23 opposition to that objection.

24 The debtors are seeking to disallow and expunge Mr.  
25 Wolf's claim, 6770, as being duplicative of the global claim

1 filed by Bank of New York Mellon as indenture trustee. Despite  
2 several conversations with Mr. Wolf's counsel, the debtors have  
3 been unable to resolve his objection. Your Honor, we believe  
4 that Mr. Wolf's opposition should be overruled and his claim  
5 disallowed and expunged.

6 Mr. Wolf filed his claim, 6770, seeking to recover for  
7 securities with CUSIP number 52519Y209. That CUSIP belongs to  
8 securities that Bank of New York Mellon is seeking to recover  
9 for as indenture trustee under claim 21805. Accordingly, Mr.  
10 Wolf's claim is duplicative of that Bank of New York Mellon  
11 claim. Mr. Wolf does not appear to dispute that his claim is  
12 duplicative. He instead in his opposition provides purchase  
13 confirmations for a security and states he did not know that  
14 his securities were unsecured. Regardless, Mr. Wolf's note  
15 claim is duplicate of the Bank of New York Mellon claim and  
16 Bank of New York Mellon is the proper party to prosecute the  
17 claim for that security. Accordingly, the debtors respectfully  
18 request that Your Honor overrule Mr. Wolf's response and grant  
19 omnibus objection 49 as to his claim.

20 THE COURT: Is Kurt Wolf or any attorney acting on his  
21 behalf present in the courtroom or on the telephone? I hear no  
22 response. The position of Mr. Wolf at docket 12505 is a  
23 position I've reviewed and I've also considered the  
24 presentation of debtors' counsel regarding this claim. Mr.  
25 Wolf's objection is overruled. The claim, as a matter of fact,



1 is duplicative of the Bank of New York Mellon claim and the  
2 objection is granted.

3 MS. ECKOLS: Thank you, Your Honor. And that  
4 concludes the matters on the agenda today.

5 THE COURT: In that case, everybody should have a  
6 great holiday. I hope to see you in the new year.

7 MS. ECKOLS: Thank you, Your Honor.

8 (Whereupon these proceedings were concluded at 10:20 a.m.)  
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I N D E X

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Debtors' sixty-fifth omnibus objection to claims which seeks to disallow and expunge duplicate claims filed by the same claimant for the same claim granted	11	21
Debtors' sixty-sixth omnibus objection to claims which seeks to disallow and expunge claims of individual holders of securities which are duplicative of indenture trustee claims filed on behalf of those holders granted	12	6

I N D E X, cont'd

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C E R T I F I C A T I O N

I, Lisa Bar-Leib, certify that the foregoing transcript is a  
true and accurate record of the proceedings.

\_\_\_\_\_  
LISA BAR-LEIB

AAERT Certified Electronic Transcriber (CET\*\*D-486)

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Date: December 30, 2010